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AIR WAR COLLEGE

RESEARCH REPORT

BEYOND CONTAINMENT: ECONOMIC COMPETITION IN THE 1990'S

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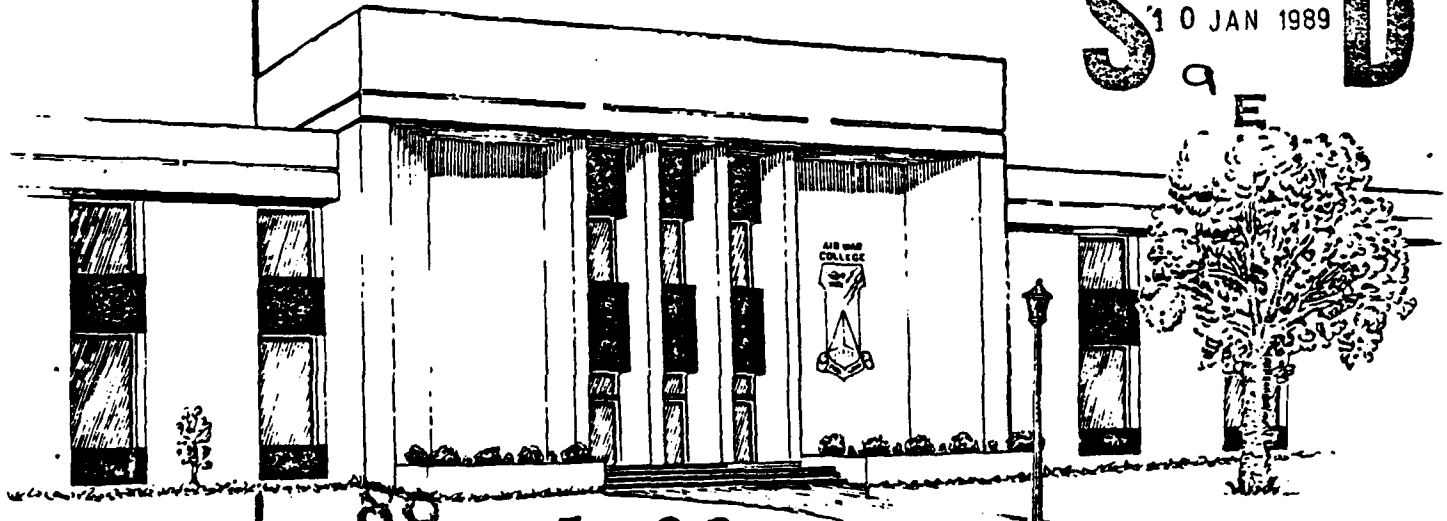

AIR UNIVERSITY
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MAXWELL AIR FORCE BASE, ALABAMA

AIR WAR COLLEGE
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BEYOND CONTAINMENT:

ECONOMIC COMPETITION IN THE 1990's

by

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Lt. Colonel, USAF

A RESEARCH REPORT SUBMITTED TO THE FACULTY

IN

FULFILLMENT OF THE RESEARCH

REQUIREMENT

Research Advisor: Lt. Colonel Dan T. Radzykewycz

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AIR WAR COLLEGE RESEARCH ABSTRACT

TITLE: BEYOND CONTAINMENT: ECONOMIC COMPETITION IN THE 1990's

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This is an article on the nature of future conflicts that directly affect the security interests of the United States. The author suggests that the traditional postwar doctrine of containment of Soviet expansion has entered a new phase that de-emphasizes ideologies and focuses on economic competition. Future problems of a global economic struggle are explored. The author examines the changing nature of Soviet efforts to influence the evolution of world political and economic systems, along with the response required of the U.S. He describes his vision of composition and employment of U.S. military forces for the 1990's. Finally, he details the consequences of failure on the part of the U.S. to compete effectively in the new environment.

BIOGRAPHICAL SKETCH

Lt. Colonel Michael R. Smith (MBA, Boise State University) is a career Aircraft Maintenance Officer with the Arizona Air National Guard. He joined the active Air Force in 1968 following graduation from the University of Arizona and commissioning in the ROTC program. During his active duty tour, he was stationed in Southeast Asia, Illinois, and Idaho. He has been a member of the Air National Guard since 1973. Lt. Colonel Smith is a graduate of the Air War College, class of 1988.

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BEYOND CONTAINMENT: ECONOMIC COMPETITION IN THE 1990's

"It's time to refinance your debt," said the Broker. "If you think that interests rates will rise in the next several years, then you should acquire long term debt. If you think they will fall over the same period, then you should get short term loans and refinance later at a lower rate. Either way, the future profit of your company depends on the cost of your loans."

"What should I do?," I asked. "The future is so uncertain."

"You must make your best guess," he said.

"But this is so imprecise. I control so little and I would rather not speculate about the future."

"But you must," he said.

-- a true story(1)

This is an article about the United States and its ability to survive and prosper in the new environment of the 1990's. That new environment will challenge U.S. ability to reassess some of the policies that have carried it successfully through the post-war era to an unprecedented stability abroad and to new levels of living standards at home. This paper will assert that the Soviet Union will continue to be the chief U.S. rival in the global competition for influence. It will show that this contest has changed very recently, and that greater changes are in store for the next decade. It will argue that the primary focus of Soviet global intentions has changed from "domination"-oriented policies toward other nations to "influence"-oriented ones.

The threat to U.S. national security interests will transcend traditional Soviet containment problems in the 1990's. This paper will propose that the liklihood of military conflict between Soviet-dominated states and Western democracies will diminish in the next decade, primarily because of the irrational nature of war between these nations. It will argue that the nature of the struggle for influence in the world will focus on third world nations and be ordered by economic strength of dominant nations.

A premise underlying this paper is that in view of that competition for influence in the next decade, the role of ideology in the development of U.S. national policy must change dramatically. In a global context, this paper will detail a proposal for a new U.S. foreign policy.

Finally, it will outline the composition and uses of U.S. military forces for the next decade. Even in view of the changing face of Soviet foreign policy, that nation will continue to pose the greatest danger to American security interests. This paper will propose that in light of the continued Soviet military threat, the U.S. should pursue economic advancement of undeveloped nations where U.S. security interests are at stake.

THE HISTORICAL PERSPECTIVE

The modern era of the world economic and political condition has its roots in the Depression period of the 1930's. Even though the U.S. had withdrawn into its traditional form of isolation following the First World War, it had become an economic and political power in the world context. U.S. industrial vitality was a standard not only for all developed nations, but for those who aspired to be so as well. However, the Depression of the early 1930's pointed to an essential weakness in the American democratic/capitalist experiment. The U.S. could not sustain its economic strength with the social, political, and economic structure then in place. Domestic investment in the late 1920's began to focus on capital formation rather than on the creation of new plant and equipment assets, or industrial and agricultural investment. The collapse of the capital markets in 1929-30 was only a symptom of this misdirected effort.

In any event, the domestic economy of the U.S. suffered a deflation of its currency and a substantial reduction of its industrial and agricultural output in the resulting Depression. One form of the government's response was to pass restrictive legislation (such as the Smoot-Hawley trade bill) designed to protect domestic industries from foreign competition. These trade tarrifs were designed to shield domestic industries and agriculture from the "damaging" effects of foreign competitive intervention. These unilateral trade barriers, however, had the opposite effect. They restricted investment in domestic industries, and therefore made them even less competitive on the world market.

Secondly, they served to export the American Depression to the industrialized and already fragile European economies.

By the mid-1930's, all Western industrialized economies were in a state of economic depression, and no hope for recovery was in sight. On the ruins of these shattered economies rose the the militarized Germany of Hitler, and the last element in the formula for world war was in place.

In the aftermath of the war in Europe, two challenges to U.S. security interests emerged: (1) the Soviet Union expanded its domination of Eastern European nations, with collateral threats to Persia, Greece, and Turkey; and (2) the devastated nations of Western Europe lay vulnerable to Soviet influence and potential domination.

Somewhat reluctlantly, the U.S. was forced to re-examine its traditional role as an isolationist nation. Those times required a visionary leadership to develop a radical foreign policy acceptable to the war-weary American public. The result was the Truman Doctrine of containment of Soviet expansion and the Marshall Plan for the economic recovery of Europe. Whether by design or by evolution of political events, the Marshall Plan made possible not only the relatively quick recovery of Western Europe, but also laid the groundwork that permitted stable democratic forms of government to emerge. Their basic economic strength became the essential pillar for the political will of these nations to halt Soviet expansion on the Continent.

A few elements of that plan for European recovery bear re-examination. First, the ravaged economies of Europe required a common plan for their recovery. The U.S. had no interest in addressing the needs of common economic recovery by dealing with each nation on an individual basis. Traditional trade barriers between the nations of Europe had resulted in national tariffs and restrictive import quotas to protect domestic markets from outside competition.(2) The result had been weak non-competitive industries born of inefficiencies and lack of modernization. The Organization of European Economic Cooperation, an organization of 17 mostly Western European nations, pledged itself to collective free trade and reduced market barriers. Stable consumer economies with cooperative political systems flourished; and a politically stable group of nations emerged that were, and continue to be, willing and able to contain the Soviets on the European continent.

THE THREAT TO OUR SECURITY INTERESTS: NOW AND IN THE FUTURE

How has the world changed in the post-war era? The Truman Doctrine for the containment of Soviet expansion has been relatively successful. Nations falling under Soviet domination since the initiation of the Truman Doctrine have been relativly few, while nations with an independent, non-aligned, or pro-western orientation have been numerous in this post-colonial era. However, several developments that affect U.S. security interests indicate that the world is entering a new, "post-containment" era. First, the third world, a creation of the anti-colonial forces unleashed in the aftermath of World War II, has evoloved from a collection of weak, underdeveloped states into a major component of international politics. Collectively, the third world is a new source of international power and influence, and it is a principal element of Soviet foreign policy.(1) Soviet policy toward the less-developed or emerging nations has changed from one of domination and subordinate relationships to one in which influence is directed. That is, the Soviets now seem to seek relationships in the third world that are, if not sympathetic to the Soviet system, at least not pro-western. As early in this decade as 1983, Elizabeth Valkenier, an American Sovietologist, observed:

> We should be aware that some circles in the USSR are coming to grips with the demonstrable fact that there are limits to Soviet power in the third world, as well as to the advantages to be derived from close identification with post colonial grievances. ...Washington should be ready to respond and not miss the chance to seek mutual restraint or a cooperative relationship.(2)

An example of the emerging independence of formerly weak nations is the Soviet/Vietnam relationship. The latter's independent course in the occupation of Cambodia works against Soviet efforts to establish good relations with the Association of Southeast Asian Nations (ASEAN). Soviet interests in the development of expanded influence in the Pacific would be best served by Vietnam's withdrawal from its neighboring states. Yet, the Soviet Union is either unwilling or unable to force an immediate change in Vietnam's policy. Other strong Soviet allies, such as Cuba and Poland, have recently demonstrated their willingness to "de-couple" their domestic and foreign policies from the Soviet "client state" aspects of previous years.

Second, the Soviet domestic economy is approaching a crisis point in its on- again, off-again attempts to revitalize a failed system. For the first time in many years, Soviet leaders are speaking openly of stagnated growth rates, industrial inefficiencies, and agricultural failures. The ability of the Soviets to provide a role model for developing nations to emulate is now subject to challenge under the self-admitted failures of their own economy. It is clear that the Soviets will surely fail in the "restructuring" of their economy unless they choose to make a fundamental change in the "democratic", open-market restrictions imposed by their political system. They simply cannot establish a competitive domestic economy geared to improving living standards and generating inflow of much-needed foreign capital without such a radical change in their form of government. These two events are mutually exclusive. Against this backdrop, however, the need for economic reform in the Soviet system

will be unrelenting in the next decade if the Soviets are to pursue their role as a dominant world power. Therefore, one of two things must happen: they will either change their fundamental political structure at a pace relative to the planned growth of their economy, or the restructuring efforts will fail completely. The results of their efforts will have a significant bearing on U.S. security interests. The failure scenerio is described by the Commission on Integrated Long Term Strategy:

> ...No one can be sure how a resounding failure would play out. Failure might drive the regime to seek legitimacy in military successes abroad, or even to try gaining control over foreign resources. In combination with the USSR's growing ethnic tensions, economic failure might even trigger efforts by some parts of the Soviet empire to loosen their bonds.(3)

The failure outcome is the most dangerous to U.S. security interests. It would likely mean the collapse of the current Soviet leadership, to be replaced by the hard-line traditionalists of the Brezhnev era. A return to Soviet adventurism abroad and fortress mentality at home would destabilize world political relationships. Subordinate and Soviet allied nations resisting this return to structured relationships would upset the political power balances even further.

In this environment, therefore, the U.S. and other industrialized eastern and western democracies must find ways within their own security context to assist the Soviets in their efforts to develop a competitive economy. This is a dangerous course for industrialized, capital-oriented nations, but the alternative is even more dangerous to U.S. stability and security interests.

Third, new economic powers with the capability to influence political events are emerging throughout Asia and the Pacific. While many of these nations (such as Japan, Taiwan, and Singapore) are not significant military powers, their ability to influence the development of economic systems is hardly insignificant. Other emerging economic powers of the Asian-Pacific region, such as China, South Korea, and India, have both developing economic strength and offensive military capability. While their desire to project economic or political influence to areas outside their borders is yet unclear, their ability to do so is undeniable. For better or worse, the world is becoming less bipolar, and the result is that the relative influence of both the Soviet Union and the United States will diminish in the next decade.

Finally, the Soviets will continue to be the primary threat to U.S. security interests, and competition with them will continue to be ordered on a military scale. The opportunities for improvement in this arena lie in negotiated, balanced, verifiable reductions in arms. The primary opportunity for the U.S. in these reductions is in Europe where a large, expensive NATO force is poised against the threat of Soviet/Warsaw Pact invasion. Although the opportunities are there, successful negotiations in this region are highly complex and hazardous to European stability. The fact that these forces are capable and in place has served to make their employment if not very unlikely, at least highly irrational.

IDEALISM, IDEOLOGY, AND ECONOMIC STRENGTH

One of the basic tenets of the Truman Doctrine was that communism in the Marxist/Leninist mold was a worldwide ideal, and that the intention of the Soviet Union was to lead the revolutionary struggle to attain that goal.(1) The Doctrine had substantial evidence to support this belief. The Soviet Union had picked over the ruins of the European continent in the aftermath of World War II and gathered into its sphere the nations of Eastern Europe. Soviet forces occupied northern Persia and were poised to dominate that nation straddling the age-old crossroads of Asia and Europe. A strong Soviet-dominated communist party in Greece had a realistic expectation of coming to power in that nation. Italy and France were both threatened by powerful, internal, Soviet-supported communist parties. And so, early on in the development of the Truman Doctrine, a strong, resurgent, anti-communist ideology was attached to the U.S. policy of containment there. In his article on "The Strategy of Containment," political historian John Spanier noted that, at first, the containment policy was not fundamentally an ideological issue:

> .... the role of anti-Communism in American policy was essentially to mobilize congressional and public support for the policy once it had been decided upon. A nation that had historically condemned power politics as immoral and as a corruption of the democratic ideal needed a new moral basis for its new use of power. For a people weary after four years of war, who identified the termination of war with the end of power politics, who were used to isolation from Europe's wicked affairs, and who were occupied with happiness, success and the dollar at home, anti-Communism was like the cavalry's bugle call to charge; it fitted neatly

into extremes of evil and morality, thereby arousing the nation for yet another foreign policy mission.(2)

The anti-Communist ideology that persists to this day seems to overshadow the more significant achievement resulting from the containment of Soviet expansion in the post-war era: the economic revitalization of Western Europe. The development of strong trading partners made possible the containment of Soviet expansion on the Continent. A strong military strategy alone would not have acheived that goal.

In many ways, the purely ideological elements of post-war containment policy have worked against American interests. In recent years, U.S. foreign policy supported many non-democratic third world states primarily because of their anti-communist orientations. The result has been numerous foreign policy failures, especially in Latin American. Frequently, the U.S. has withdrawn support only when the abuses of these autocratic anti-Communist states became overwhelming. Often, that abandonment of support for these governments has been too late, as in the case of Cuba and Nicaraugua.

At this point in the 20th Century, it is becoming clear that Lenin's theories on the trends in the communist/capitalist struggle were backward. His fundamental concepts in this struggle were, first, that capitalism contained the "seeds of its own destruction," and, secondly, that many states would have to pass through a capitalist "stage" on the way to a true communist system.(3) In the modern era, it seems that the opposite is true--that communism is more often a stage that developing nations pass through on the way to democratized,

economically competitive societies. National economies that seek to be competitive in the international marketplace will breed democratic non-communist political systems in the 1990's. No exceptions to this assertion have manifested themselves. Witness the domestic pressure toward more democratic systems in South Korea, the People's Republic of China, Yugoslavia, Poland, and Brazil.

Even the most closed societies are well aware that higher standard of living economies are achieved by competitive democratic systems. This is especially so in the era of timely and expanded global communications. To the Soviets, the knowledge that they are a great military and political power, but a relatively weak economic power is especially troubling. For them, the issue transcends the problem of low economic self-image. In the post-war era, the Soviets have sacrificed higher living standards as well as some basic political rights for security reasons, both real and imagined. After centuries of foreign conquest and invasion, this has been the entrenched mindset of the Russian-dominated Soviet leadership. In the 1980's, however, these time-worn economic and political institutions are working to undermine Soviet interests. Even the current leadership is quick to remind their public that economic reforms are essential to their domestic stability as well as their ability to maintain and project influence in the international arena. Many Western observers have voiced their concern that if the Soviets succeed in revitalizing their economy, they will renew their long-stated "domination"-oriented expansion toward a communist world order. That seems unlikely given the current state of the

Soviet economy and the cultural non-competitive mindset of the Soviet people in their domestic economic system. It seems even more unlikely, given the current global experience, that strong, internationally competitive economies do not exist without stable, democratic political systems.

The other great communist nation of the post-war era, China, is undergoing a remarkable transformation in the rebuilding of its economy, with a concurrent trend towards democratization. In January of this year, the Commission on Integrated Long-Term Strategy in their report to the Secretary of Defense and the President's National Security Advisor predicted that, for the first time, the PRC will exceed the gross national product of the Soviet Union by the year 2010.(4) The leadership of that country has been assisted in this remarkable growth by the culture of the Chinese people (who harbor little resistance to the development of capital, competition as of form of economic growth, and entrepreneurship as way of life). The Soviet system, on the other hand, lacks many of these purely cultural attributes. It is not surprising, therefore, that the PRC will accelerate economic and democratic reforms at a much faster pace than the Soviets in the next decade.

These are the limitations of ideology and the possibilities of economic strength in the development of American foreign policy. In the 1990's, the U.S. will need to place a national priority on developing strong trading partners. This has been the most successful foreign policy acheivement in the post-war age. The rebuilding of the economies of Japan and the Western European nations made possible both strong U.S. political influence worldwide and a high standard

of living at home. America should continue to lead in the development of competitive, emergent economies in the third world. Two issues, however, must be paramount in the evolution of this foreign policy. First, the U.S. will have to avoid viewing every resurgent national independence movement as a stage for Soviet-American competition. It will have to come to grips with the fact that undeveloped, often poor, politically naive nations are not always good candidates for democratic institutions. The short-term political development of these third world nations will not be nearly so important to U.S. interests as the direction their economies take. Few undeveloped nations can support the basic democratic mechanisms of open debate and full electorate participation that has driven U.S. foreign policy initiatives in the past. Democratic systems require a general level of education necessary to understand the value of participatory government as well as a standard of living above the subsistence level. Few emerging nations enjoy these "luxuries." And so, U.S. foreign policy must not give undue weight to their political institutions of the moment. Second, the U.S. must avoid political and economic support of third world nations that are simply anti-communist dictatorships. Like communist and other totalitarian forms of government, these nations contain the seeds of their own destruction in the modern era. Slowly, America is emerging from that foreign policy mindset. The withdrawal of U.S. support from Ferdinand Marcos in the Philippines, along with the action of the U.S. Justice Department to indict General Noriega of Panama on long-standing criminal charges, signals what should be the beginning of a realistic post-containment policy.

A GLOBAL ASSESSMENT

In view of the new, economic-oriented struggle for national security, this section will suggest a general foreign policy directed toward areas of current or future security interest to the United States.

EUROPE

U.S. security interests on the European continent will not diminish in absolute terms in the next decade, but will in relative terms. Without question, the U.S. military presence in Europe has kept the peace and contained Soviet expansion in the years following World War II. But America must now reexamine the purpose of its military and political role there. Simply put, the U.S. has stayed too long. The defense of Western Europe must pass more completely to Western Europeans in the 1990's. Certainly, U.S. troops cannot be unilaterally withdrawn from the continent and disrupt the NATO defensive strategy. The U.S. should, however, seek to enter bilateral negotiations with the Soviets for mutual reductions of conventional forces. Recent Soviet willingness to negotiate reductions in intermediate-range nuclear forces could lead to conventional arms control talks as well. The U.S. purpose in these negotiations must be to withdraw the bulk of combatant U.S. forces from Europe, with a concurrent withdrawal of Soviet forces from non-Soviet Eastern Europe. In addition to reducing the likelihood of confrontation, an important effect would be to facilitate improved economic and political relations between the nations of Eastern and Western Europe. In the 21st Century, true European security

will come from this source, especially if those relations are absent of dominant Soviet or U.S. influence. This improvment of relations will benefit all the nations of Europe as well as enhance the security interests of the United States. Improved relations between these countries are currently hampered by the overwhelming Soviet military presence throughout Eastern Europe.

NORTH AFRICA AND THE MIDDLE EAST

In the post-war era, U.S. policy in this region has been dominated by support of Israel, but no fundamental change is required in American efforts to strike a balance between Israel and her Arab neighbors. Similarly, the U.S. is pursuing the right course in supporting moderate Arab nations throughout the region. However, U.S. military policy in the Persian Gulf is very dangerous to U.S. security interests, and not clearly in support of U.S. economic interests. Despite the assertions of "geo-strategists" who suggest that the region's location makes it critical to U.S. interests, free access to oil production is the primary issue. But how are the free, industrialized nations threatened by reduced access to this resource? Oil, like any other raw material, assumes value to a producing nation only in the sense that it must have a market. A disruption of the supply simply reduces the value of the resource in the long term. While short-term economic problems may occur if supplies are disrupted, attaching political value to the raw material (such as the Arab oil embargo of 1973) simply creates new market economies in the consuming nations. The creation of the Organization of Petroleum Exporting Countries (OPEC) cartel in the early 1970's resulted in the development of alternative energy sources,

permanent conservation systems, and new exploration worldwide. That cartel is now, and will always be, a failed political/economic idea. In light of this stipulation, there is no economic or security purpose for U.S. involvement in this high-risk, low- benefit military operation in the Gulf. The 60 percent(1) of known world oil resources that lie within the region of the Persian Gulf have no value to any of those states unless the resourses arrive on the world market. Total ships lost in the period since the begining of the "re-flagging" operation have increased. One way or another the nations of the region will get the oil to market at a competitive price without the aid of U.S. military forces.

SUB-SAHARAN AFRICA

This part of the world presents a complex array of challenges to American security interests, few of which are truly vital to the U.S. The conflicts of this region in Somalia, Mozambique, Angola, and South Africa do not represent a sufficient long-term threat to U.S. interests to warrant a fundamental change in the curent policy. At least one regional issue there does bear atttention in the security context. That is the issue of so-called strategic metals. Raw material consumption in the industrialized economies is on the decline, with the U.S. spending only $170 annually per capita for all the raw materials we use. (This excludes food, which is a renewable resource, and energy, which can be renewable.)(2) These raw materials should receive no more consideration in the formulation of U.S. national policy than the oil resourses of the Middle East. America's relationship with the nation of South Africa, for example, is unduly influenced by the fact that that nation possesses reserves of "strategic"

materials critical to current U.S. technologies. Moreover, failure of the U.S. to unequivocally and officially renounce that nation's racial policies unnecessarily impedes American relations with developing countries throughout the world. (In spite of these economic and political realities, the U.S. has not even taken the moral high road on this issue.) A strategic metal "cartel" is irrational and self-defeating in this post-OPEC age. These raw materials, like oil, gain their value to the producing nations only in the world marketplace. A producer's embargo or outside disruption of the flow of these goods will permanently devalue their worth to the producing nations.

CHINA AND PACIFIC ASIA

This region will become increasingly important to U.S. economic (and, therefore, political) security interests for the foreseeable future. U.S. trade relationships with the nations of this region are growing at a breakneck pace. Far from damaging the vitality of American industry, these relationships increase the wealth of all trading partners. The largest exporter of computers from Japan, for example, is the U.S.-owned International Business Machines Company (IBM), with annual sales of $6 billion.(3) Two of the four largest exporters from Taiwan are RCA and AT&T.(4) Robert B. Reich, Professor of Political Economy at Harvard's John F. Kennedy School of Government, notes "that if the present trend continues, American consumers may soon contribute more to U.S. trade balance by purchasing foreign brands than American."(5)

As previously pointed out, China has the greatest potential for growth as a regional and world power. The U.S. must encourage that nation's economic

revitalization. Their economic resurgence would not have been possible without the presence of their concurrent developing democratization.

The most pronounced threat to U.S. security interests in the region, however, is that posed by the North Korean government, which is so strident and radical in its policies as to preclude any productive U.S./ North Korean relationship. The only rational policy toward the North Koreans is military containment. U.S. dealings with the PRC must elicit their support in moderating the disruptive adventurism of the North Koreans. A more complex problem is posed by Soviet support of that nation. Because the primary instruments of Soviet influence in Asia and the Pacific during the next decade will be military and political, their incentives for moderating North Korean behavior are very limited. The good news is that the U.S. and South Korea are both capable and willing to contain North Korean militarism.

U.S. intentions throughout the rest of the region should be to continue the process of developing competitive, stable, and, above all, long-term trading partners. In this, the U.S. has been reasonably successful in the post-war era.

LATIN AMERICA

Relations with the Latin American nations in the 20th Century have been America's most dismal foreign policy failure. No other region on Earth requires a more radical revision in U.S. policy. Other than the Cuban (more appropriately, Soviet) Missle Crisis of 1962, no significant threat to U.S. security interests has tested these failed policies to date. Latin America is a region whose interests are generally directed toward domestic economies and

problems of illiteracy, poverty, unstable governments, and incredible inflation rates. From an historical perspective, American relationship problems date to the period of the Monroe Doctrine, the primary message of which was that the U.S. would dominate foreign relations of these nations.(6) The Doctrine was perhaps not a good idea at the time, but its manifestations in this century have seriously compromised U.S. security interests. Without exception, U.S. support of non-communist dictatorships in this hemisphere has failed. In the future, the America will have to deal with these nations on a basis of mutual sovereignty. As a beginning, the U.S. should initiate a cultural and economic relationship with Cuba. This is the best hope for bringing that nation out from under compelling Soviet influence. U.S. reluctance to deal with Cuba because of its pro-Soviet Communist government has created more of a threat to American security interests than a less antagonistic relationship would have done. Cuban military adventures in Africa and elsewhere are temporary posturing exercises, designed to establish Cuba's credentials as a sovereign nation. They will be no more successful in fighting insurgencies on foreign soil than any other nation has been in this age. Carol Saivetz and Sylvia Woodby, in Soviet-Third World Relations, point out that even now "active Cuban military involvement in Angola and Ethiopia seems to have run its course."(7)

The bothersome issues of Central American problems represent another failure of U.S. foreign policy. The Nicaraguan revolution that brought the Sandinistas to power was an unfortunate response to the outrages of another American-supported anti-Communist dictator. The ill-fated U.S. support of the

Nicaraguan resistance, even if successful, would have repeated the mistakes of the past. In the near term, the Sandinistas, with neo-revolutionary Marxist/Leninist zeal, continue to pose a threat to other states throughout the region. The U.S. must assist these countries in countering that threat. At the same time, America must deal with the Nicaraguan governmnent on the same basis as any other nation in the region, striving to develop economic relationships free of compelling Soviet influence.

U.S. MILITARY POWER AND THE ECONOMIC STRUGGLE

Military composition and employment in the 1990's and into the 21st Century must focus on a capability to counter the Soviet military worldwide. Deterrence has worked. It will not continue to work if Western democracies, emergent democracies of the East, or the U.S., unilaterally reduce their capability in the face of a less antagonistic Soviet Union. For as long as the Soviets continue to maintain a weak, non-competitive economy, sustained free world deterrent military capability will remain the fundamental factor in the formula for superpower balance. Large, conventional wars between dominant world powers must remain as irrational and as unlikely as they are today. It is incumbent upon the U.S. and all developed democratic nations to sustain this balance while the forces of economic development expand.

Conversely, the U.S. should avoid the perception that it can prepare for, or successfully conduct, "low intensity" or unconventional types of warfare outside the national borders. Insurgencies, counter-insurgencies, or "wars of national liberation" cannot be successfully conducted by direct superpower military intervention. Both the Soviets and the U.S. have experienced failed policies of enormous proportions in this arena in the last two decades. Both nations shall be required to seek alternative forms of influence in the 1990's.

The less developed nations of the world will be the primary theater of confrontation with the Soviets in the next decade. The post-war policy of containment was directed toward preventing Soviet domination of governments and countries throughout the world. But the nature of the threat has changed.

The Soviets seem to no longer seek internal domination of states, or to develop a stable of client states. In The Struggle for the Third World: Soviet Debates and American Options, Terry Hough observes:

> There is simply no reason for any sane Russian to think that a communist regime outside the reach of Soviet military power will necessarily be subservient; or, given the experience of Polish, Hungarian or Romanian governments, that even one within the reach of Soviet military power will be completely so. The growing sense of Soviet pessimism about Third World developments means that willingness to take chances or make expensive commitments is correspondingly reduced, at least if the United States does not turn the developments into a test of will.(1)

The Soviets have discovered through their experiences in Africa (Somalia, Angola, and Mozambique), the Middle East (Syria, Iraq, and Libya), Asia (North Korea and Vietnam), and even in the Americas (Cuba and Nicaragua) that Soviet-dominated third world client states are not only unreliable in terms of national movements, but expensive in terms of buttressing weak economies. Further, the third world has generally become more sophisticated, in the sense that they no longer see the USSR as an enviable role model for their own develpoment. The Soviet experience in Afganistan, a foreign policy disaster in its own right, appears to have convinced the Soviet leadership that their best interests are served by fostering friendly, independent, Soviet-styled states that are as free as possible of American influence. Here, as pointed out above, the U.S. must be willing to compete.

U.S. policy should emphasize two fundamental initiatives. First, America must continue to develop a modern, credible deterrent to Soviet military power

around the world. Second, the U.S. must assist in nurturing competitive economies wherever possible in the developing third world. Economic ties that foster improvements in living standards and creation of national wealth convey a more convincing message than American political rhetoric of anti-communism and democratic reforms. Only competitive economic achievement will make true democratic reform a reality in the 1990's. This will not only benefit the economies of the developing nations, it will have a salutary effect on U.S. security and, over the long term, will provide the U.S. economic benefits as well.

NOTES

CHAPTER II (Pages 3-5)

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3. See Note 1, Chapt. IV p. 159

4. See Note 2. Chapt III p. 7

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